THE TENTH JUBILEE INTERNATIONAL CONFERENCE
BUSINESS AND EMPLOYMENT
on the topic
"The impact of the economic growth and innovation on business development, reduce unemployment and poverty in Kosovo, in countries in transition and developing countries as well",
6 and 7 October 2011, Prishtina, Republic of Kosovo
The Tenth International Conference (Jubilee) of Business and Employment on the topic: "The impact of the economic growth and innovation on business development, reduce unemployment and poverty in Kosova, in countries in transition and developing countries as well", 6 and 7 October 2011, Prishtina, Republic of Kosovo

Mështrim nga:
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Konferenca e Dhjetë Jubilare Ndërkbëtare Biznesi dhe Punësimi me tematikë "Nhikimi i rrjetes ekonomike dhe inovacioneve në zhvillimin e biznesit, zgjedhimin e papunësisë dhe varfërissë në Kosovë, në vendet në transicion dhe ato në zhvillim", 6 dhe 7 tetor 2011, Prishtinë, Republika e Kosovës

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The importance of geographical indications in marketing of local products

Abstract

Geographical indications (sometimes called as geographical description) indicates the origin of a product which possesses a specific quality, reputation or other characteristics attributable to that place, area, region or country of origin. Geographical indication registry is usually done as designation of origin and geographical indication. Geographical indications (GIs) may be used by any operator marketing agricultural product or foodstuffs conforming to the corresponding specification. There are many advantages of GIs for producers, local and national economies. It boosts farmers' income and maintains the population in less favoured or remote areas. It ensures quality control and quality improvement, makes the product more attractive among competing products on the market. Products can easily be recognized and have competitive advantage in the country and in the world. It also has a positive impact on place marketing and tourism.

In this paper, first of all, it will be tried to define the terms of geographical indications, and different features of GIs. Secondly, the importance of GIs will be emphasized in marketing of local products, local and national development. And finally, as the case study, "Boseong green tea", "Roquefort cheese", and "Basmati rice" will be examined and some proposals will be made.

Keywords: Geographical Indication, Designation of Origin, Appellation of Origin, Local Development, Place Marketing
Introduction

At the opening of the Beijing Symposium - 2007, WIPO (World Intellectual Property Organization) lawyer Hopperger suggested “It could be said that geographical indications are the Sleeping Beauty of the intellectual property world.” Indeed, while GIs have been around for a long time, there has been a widespread awakening in recent years as to their business value (EM, 2007). GIs have become globally important, particularly after globalization of economies and trade liberalization among countries. It does not matter whether the country is developed, developing or underdeveloped one, GIs have many positive economic, social and cultural impacts for all countries. They play an important role for producers, local public, governments and consumers alike. They contribute to sustainable development in many regions. For example; the use of geographical indications allows producers to obtain market recognition, a premium price compared to non GIs products, to strengthen competition, to prevent dishonest trading. Consumers buy and consume GI registered products more confidently. GIs also help to protect traditional knowledge, local values and community rights.

Definitions

The TRIPS (Trade Related Aspects of Intellectual Property Rights) Agreement, which came into effect on 1 January 1995, is to date the most comprehensive multilateral agreement on intellectual property. One part of these properties are Geographical indications. Geographical indications (GIs) are defined, for the purposes of the Agreement, as “indications which identify a good as originating in the territory of a member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin (Article 22.1)”. Thus, this definition specifies that the quality, reputation or other characteristics of a good can each be a sufficient basis for eligibility as a geographical indication, where they are essentially attributable to the geographical origin of the goods (WTO, 2011a).

Most commonly, a geographical indication includes the name of the place of origin of the goods. Agricultural products typically have qualities that derive from their place of production and are influenced by specific local factors, such as climate and soil. Whether a sign is recognized as a geographical indication is a matter of national law. Geographical
indications may be used for a wide variety of products, whether natural, agricultural or manufactured (WIPO, 2011a). Well-known examples include Champagne, Scotch, Tequila, Bordeaux wine, Florida oranges, Idaho potatoes, Washington State apples, Darjeeling tea, Roquefort cheese, Parmigiano-Reggiano cheese, Parmigiano cheese, Kobe beef, Jamaica Blue Mountain coffee, Basmati rice, Boseong green tea and many others (Beresford, 2007; Giovannucci and others, 2009; WTO, 2011b). The use of geographical indications is not limited to agricultural products. They may also highlight qualities of a product which are due to human factors associated with the place of origin of the products, such as specific manufacturing skills and traditions. That place of origin may be a village or town, a region or a country. For example, “Bohemia” is recognized as a geographical indication in many countries for specific products made in the Czech Republic, in particular crystal ware (WIPO, 2011a). In Turkey, “Hereke” with its silk carpets, and “Eskisehir” with the products made of meerschaum (move nozzle) are other wellknown examples (Turkpatent, 2011).

A geographical indication tells consumers that a product is produced in a certain place and has certain characteristics that are due to that place of production. These characteristics and qualities may derive from geographical factors, such as climate, soil, and altitude, or human factors, such as traditional skills. The origin and related characteristics of these products often makes them particularly valued by consumers. From the perspective of consumers, geographical indications provide useful information regarding the identity and quality of the products. It may be used by all producers who make their products in the place designated by a geographical indication and whose products share specified qualities (Oliva, 2007; WIPO, 2011a).

**Different Features of GIs**

GIs system has different features, there are slight differences among them. They can be classified as follows.

a) **PDO – Protected Designation of Origin (EU):** The designation where the product must be produced and processed within the defined geographic area, exhibiting qualities or characteristics essentially due to that area. A PDO is the name of a place or region used to describe an agricultural product or a foodstuff, the quality or characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors (Giovannucci and others, 2009). For example, champagne has a
PDO label, meaning that only sparkling wines produced in a specific style in the French region of Champagne may be labeled as “champagne” (Wisegeek.com, 2011a). Some other examples of EU PDO products are Camembert, Roquefort, and Parmigiano Reggiano for cheeses Prosciutto di Parma for ham (Ers.usda.gov, 2009).

b) **PGI – Protected Geographical Indication (EU):** The GI where the product must be produced or processed in the geographical area, or both. The PGI allows greater flexibility in the conditions so long as the product exhibits specific quality, reputation or other characteristics that are attributable to that area. Therefore, so long as some unique contribution is made in the defined geographical area, which can be the production and/or processing and/or preparation, the PGI need not include any of the aspects of human contributions and local know-how contained in the PDO. (Giovannucci and others, 2009). Some examples of EU PGI products are Scotch beef and Scotch lamb (Ers.usda.gov, 2009).

c) **TSG - The Traditional Specialty Guaranteed Label (EU):** The TSG indicator refers not to origin, but to traditional characteristics by which the product is produced and composed. Examples of TSGs are Mozzarella and Jamón Serrano (Folkeson, 2005)

d) **AO - Appellation of Origin:** A AO is a special kind of geographical indication. It generally consists of a geographical name or a traditional designation used on products which have a specific quality or characteristics that are essentially due to the geographical environment in which they are produced. The concept of a geographical indication encompasses appellations of origin (WIPO, 2011a). Alsace wine, Armagnac wine brandy, Bohemia Glass Household glassware are some examples (WIPO, 2011b).

e) **GI- Generic Geographical Indication:** If a geographical term is used as the common designation of a kind of product, rather than an indication of the place of origin of that product, then the term no longer functions as a geographical indication. Where this has occurred in a certain country, then that country may refuse to
recognize or protect that term as a geographical indication. For example, the term “cologne” now denotes a certain kind of perfumed toilet water, regardless of whether or not it was produced in the region of Cologne (WIPO, 2011a).

**Increasing Importance of Geographical Indications**

As Addor and Grazioi (2002) emphasize like, trademarks or commercial names, geographical indications are distinctive signs which permit the identification of products on the market. If they are used in the proper way and are well protected, they can become an effective marketing tool of great economic value. GIs indeed convey the cultural identity of a nation, region or specific area. They make it possible to add value to the natural riches of a country and to the skills of its population, and they give local products a distinguishable identity. Geographical identities can afford producers “brand name” equity and protection usually not available to commodity products. With GI protection, producers are able to command premiums for their products, especially if perceived and/or actual quality differences exist, including product differences attributable to their unique geographical as opposed to varietal origins (Agarwal and Barone, 2005).

They are valuable assets, like brands, that can play a vital role in consumer marketing and competing for a greater share of global trade. Noting the successful use of GIs in some parts of the world, more countries have started to seek out and utilize similar tools to increase their competitiveness, stimulate rural development and improve the livelihoods of their producers (Giovannucci and others, 2009). In Symposium Promotes Better Understanding of GIs as Tool for Wealth Creation in Geneva Mr. Ernesto Rubio (2007) said “In an increasingly global and competitive market, product differentiation is of growing importance as a means to attract customers. In this connection, along with trademarks, geographical indications have a vital role to play in conveying to the consumer the specific value of a product. They highlight the special features or characteristics that make a given product more attractive among competing products on the market”. As a result, for producers, geographical indications are important marketing tools that can be used to generate and consolidate niche markets, often with a notable price differential (Oliva, 2007).

As the use of GI-based marketing strategies and trademarks increases, brand names involving GIs will become the most important asset for producers and their greatest source of competitive advantage in the
marketplace. Accordingly, it is incumbent for agricultural firms electing to employ such strategies to have an appreciation of factors that pertain to the establishment and protection of GI-based marks in commerce. Such an understanding will provide these firms with the ability to leverage these marks as a source of sustainable competitive advantage into the future (Agarwal and Barone, 2005).

**Positive and Negative Impacts of Geographical Indications Registry**

Benefits of Geographical Indications Registry can be arrayed in a row as follows (FAO, 2007; ITB, 2011):

- They help producers obtain a premium price for their products.
- They provide guarantees to consumers as to the qualities of products.
- They develop rural economy.
- They protect local knowledge and strengthen local traditions. It provides protection of quality of products with GIs registration and realization of a production with a specific standard,
- Producers of the region with GIs have advantages by using priorities from the protection provided by the registry.
- It prevents the product to be mixed with the similar products produced in other regions.
- Products in the country and in the world can easily be recognized.

Besides these benefits GIs can have some other positive or negative impacts (Table 1).
Table 1. How GIs can benefit or harm

<table>
<thead>
<tr>
<th>Consumer benefits</th>
<th>Owner benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher quality and unique products for consumers available and encouraged</td>
<td>Higher prices for producers</td>
</tr>
<tr>
<td>Conveys messages and minimizes “search costs”</td>
<td>Protection of local tradition and cultural practices</td>
</tr>
<tr>
<td>Producer or manufacturer liability more easily determined and secured (traceability)</td>
<td>Market for differentiation and exclusivity</td>
</tr>
<tr>
<td>Can provide a means by which universal values (cultural, traditional, environmental) may be preserved via market mechanisms</td>
<td>Positive local externalities including better employment, rural development, governance, etc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consumer harm</th>
<th>Owner harm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exclusivity may elevate costs</td>
<td>Higher costs of production</td>
</tr>
<tr>
<td>May reduce innovation or improvement</td>
<td>May reduce innovation</td>
</tr>
<tr>
<td>Public GI systems increase public costs of governance</td>
<td>Likely to require greater local governance and institutional capacity and costs</td>
</tr>
<tr>
<td>May reduce competition and increase protectionism</td>
<td>If not state-run, will elevate costs of legal protection</td>
</tr>
</tbody>
</table>


Protection of Geographical Indications on the National and International Level

It is stated by FAO (2007) that preservation of the geographical origin-linked specific quality of a product, on which its reputation depends, involves drawing up specifications that define the elements needed for such preservation. Therefore, the producers in the area concerned must collectively define the rules guaranteeing the specific quality expected, through definition of the geographical zone concerned, the characteristics
linked to the area's physical resources (e.g. climate, local land conditions) or non-physical resources (e.g. traditions, culture).

According to Suh and Macpherson (2007), there are three critical criteria in judging whether to grant a geographical indication. First, the quality of the product must be well known. Applicants must submit documentary evidence to verify the fame of the product. These materials might include historical data found in old documents or testimonials, newspaper articles or award-winning records. Second, the product of the region must be differentiated from like-products from other regions. Product differentiation needs objective data (e.g. data on the components of the product). Third, the quality, reputation or other characteristics of the product must originate from the particular geographical and human factors of the region. In other words, the product should be significantly affected by regional geographical factors such as climate, soil, terrain or human factors such as unique production methods. This process is critical both for preserving and guaranteeing the specific quality for the consumer, which will require a monitoring and certification system, and also for organizing the actors and ensuring area-level management of local resources (FAO, 2007).

A number of treaties administered by WIPO provide for the protection of geographical indications, most notably the Paris Convention for the Protection of Industrial Property of 1883, and the Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration. In addition, Articles 22 to 24 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) deal with the international protection of geographical indications within the framework of the World Trade Organization (WTO). (WIPO, 2011a). In the case of export markets, certification should be made by an independent certification body, recognised in the export market.

In the case of domestic markets, there are various possible options (FAO, 2007):

- National authorities monitor the integrity of applications but avoid possible conflicts of interest.
- Self monitoring is undertaken by a local group of stakeholders (e.g. producers, local authority, local traders).
- Participatory guarantee systems are founded on the principle of social control and trust on producers and implemented in cases of organic farming (e.g. Ecovida in Brazil or Teikei in Japan).
- A full fledged independent certification system is in place, enabling national authority to accredit private certification bodies.
- The choice of the system requires a cost-benefit analysis and an assessment of the existing institutional capacity in the country. In all cases, a minimum internal control system by the group of producers is important in order to facilitate the monitoring of the quality product.

Case Study

A geographical indication refers to the name of a country, region or locality that serves to designate a product originating therein. Geographical indications are then ascribed the function and importance of trademarks and are entitled to legal protection (Baghsa, 2006). Here below "Boseong green tea", "Roquefort cheese", and "Basmati rice" are examined as the case studies.

Boseong Green Tea

Boseong County (Boseong-gun) is a county in South Jeolla Province, South Korea. Boseong is famous for its green tea leaves. Boseong green tea is a special product produced in Bodsung district and well-known for great quality (En.wikipedia.org, 2011a). The history of green tea in Boseong spans almost 1600 years. The high quality of Boseong green tea is based on localised conditions in terms of climate, soil and terrain. Boseong green tea has its own distinctive smell and taste (Suh and MacPherson, 2007). Boseong is considered the birthplace of the commercial tea industry and is the largest producer of tea in the country (Travel Highlights, 2011b).

Korea’s Geographical Indication System has been a work in progress since its adoption in January 1999, made against the backdrop of a global debate about ownership and sovereignty rights over agricultural products and processed goods (Ran, 2010). As of 31 December 2005, ‘Boseong’ green tea was the first product officially registered as a geographical indication in South Korea, and is arguably a remarkable success story. Since the introduction of the geographical indication system, the image of Boseong green tea has been greatly enhanced. While the image of Boseong green tea was vague in the past, the geographical indication made the image more evident because the geographical indication means
that the quality of the product has been officially acknowledged. For example, in this era of trade liberalization, quantity or price is no longer effective to cope with cheap imported agricultural products from countries such as China. Now is the time to compete with quality (Suh and MacPherson, 2007).

Suh and MacPherson (2007), argue that geographical indication can be used as an effective policy to cope with trade liberalisation. According to their research on ‘Boseong’ green tea “geographical indication has enhanced the image of the product, leading to increased production and the stimulation of tea-related industries”. Soon, more tea plantations were established nearby, stretching all the way to the coast. Boseong’s tea industry flourished, and today, the town accounts for some 40% of Korea’s green tea production (Koehler, 2011).

According to a national survey of Korean consumers, which was conducted after the implementation of the geographical indication, 87 per cent of the respondents replied that they thought much of the origin when they bought green tea. Moreover, an overwhelming majority (93%) related Boseong to the most important origin of green tea, whereas 85 per cent recognised that the quality of Boseong green tea is typically excellent. The survey results confirmed that there exists a high recognition of the quality of Boseong green tea among Korean consumers since the introduction of the geographical indication. The interview results also revealed that geographical indication has had a positive impact on prices and production levels, largely as a result of improved marketing. Since the geographical indication, the market price of Boseong green tea has increased by 90 per cent as a result of its enhanced image and brand value. In contrast, market prices for non-Boseong tea produced elsewhere in Korea have not changed to any significant degree since the 1990s (Suh and MacPherson, 2007).

Besides GI, Boseong Green tea has Geographical Indication Collective Mark Registration, County Headman Certification and International Organic Approval (Eng.greenbs.kr, 2011). Agricultural & Fishery Marketing Corporation (2011) states that “Accredited with authoritative certification, Korean green tea has now become renowned for its high-quality and safety. Among the representative Korean green teas are Boseong green tea, Hadong green tea, and Jeju green tea, all of which have acquired Geographical Indication System (GIS) certification No. 1, No. 2, and No. 50 respectively. Boseong green tea, in particular, has been widely recognized for its quality as it has attained international organic agriproducts certification from the United States Department of Agriculture.
Geographical indication has also had a positive impact on place marketing and tourism. Since the geographical indication, the general public's awareness of the Boseong region has increased significantly. The producers and local officials responded that since geographical indication, tourist numbers visiting Boseong have increased substantially because of the enhanced image of the place. The expansion of green tea patches since the geographical indication has made Boseong an increasingly popular tourist destination for Koreans (Suh and MacPherson, 2007). The rolling green fields of Boseong have been used as the backdrop for many movies and TV miniseries in Korea. The endless green vista, tree-lined roads with cedars and nearby Yulpo Seashore provide visitors with great views and plenty to do (Travel Highlights, 2011a). Boseong Green Tea Festival is also organized. At the Boseong Green Tea Festival, some of the most popular festival events (most of which are held out in the green tea fields) are the hands-on experience programs such as picking tea leaves, making tea, and sampling green tea snacks. Other events such as the tea exhibition and sale, and a number of celebratory performances are also scheduled to be held during the festival period (Travel Highlights, 2011b).

Roquefort Cheese

In France there are currently 600 registered GI products with 142,000 producers and a turn-over of 19 billions of Euros per year (Lalague, 2007). Roquefort (sometimes spelled Rochefort in English), is a sheep milk blue cheese from the south of France, and together with Bleu d'Auvergne, Stilton and Gorgonzola is one of the world's best-known blue cheeses. Though similar cheeses are produced elsewhere, European law dictates that only those cheeses aged in the natural Combalou caves of Roquefort-sur-Soulzon may bear the name Roquefort, as it is a recognised geographical indication, or has a protected designation of origin (En.wikipedia.org, 2011b; Cheese.hemuz.org, 2011; Roquefortcheese.org, 2011)

Historical Background of Roquefort Cheese goes back to 50 A.D.. Some milestones are as follows:
• August 31st, 1666 Edict from the Toulouse Parliament “the only genuine Roquefort comes from the cellars in the town bearing its name“
1925 Law defining the statutes of Roquefort’s Designation of Origin
1951 International Convention of Stresa International recognition of Roquefort’s Designation of Origin
1996 Registration of Roquefort as a Protected Designation of Origin (PDO)
2001 Decree of the Roquefort CDO Regulation regarding the application of the Decree of the Roquefort CDO
2005 Regulation regarding the area of milk production (Confédération Générale de Roquefort, 2008)

The PDO defines that Roquefort must be produced following certain regulations, such as the use of milk from a particular breed of sheep, the location in which the cheese is matured, and the type of mold used for the maturation process. Hence, to guarantee the quality and purity of Roquefort, only milk from the Lacaune ewe is processed and cultured with a fungus called Penicillium roqueforti and left to naturally mature in the Combalou caves in Roquefort village (Wisegeek.com, 2011b). As of 2009, there are seven Roquefort producers. The largest by far is Roquefort Société made by the Société des Caves de Roquefort (a subsidiary of Lactalis), which holds several caves and opens its facilities to tourists, and accounts for around 60% of all production. Roquefort Papillon is also a well-known brand. The five other producers, each holding only one cave, are Carles, Gabriel Coulet, Fromageries occitanes, Vernières and Le Vieux Berger (En.wikipedia.org, 2011b).

It is emerged with related surveys that French GI cheeses are sold at an average price premium of €2/kilo compared with French non-GI cheeses (Grote, 2009). Besides this, better recognition of Roquefort cheese plays an important role to promote the region as a touristic destination too. The village of Roquefort has become a very special place to visit in the southwest of France. The opening of the highest bridge in the world nearby as Roquefort – Sur – Soulzon in 2004, has increased the number of visitors to the area. There are a number of Roquefort producers in the village which have developed visitors attractions so that visitors can learn about their very special cheese production methods. Societe is the largest producer of Roquefort cheese, and it has developed a sophisticated visitor attraction which appeals to all age groups (Swarbrooke and Homer, 2007).
Basmati Rice

Rice is an important aspect of life in the Southeast and other parts of Asia. For centuries, it has been the cornerstone of their food and culture. During this period, farming communities throughout the region developed, nurtured, and conserved over a hundred thousand distinct varieties of rice to suit different tastes and needs (APEDA, 2011). Known in India as the “sustainer of the human race”. Moreover, because of its centrality to diet in much of the world, rice is a product of traditional knowledge that is strongly tied to local cultures and informs religious tales, rituals, and ceremonies. For instance, in many Asian cultures, rice plays an integral symbolic role in creating myth stories and is treated as a divine gift. In Bali, the story is that the Hindu god, Vishnu, caused the earth to give birth to rice and that another god, Indra, taught people how to raise the crop (Subbiah, 2004).

Basmati which means the “queen of fragrance or perfumed one” is a high quality, long grain, aromatic, semidwarf rice that has been grown in the foothills of the Himalayas in the Punjab provinces of India and Pakistan for thousands of years. Basmati rice requires deep fertile soil, cool climate and a short photoperiod. Therefore it is difficult to grow Basmati rice for commercial purposes in other areas (Mulik and Crespi, 2004). Among the hundred or more types of aromatic rice in the world, Basmati is probably the most expensive rice and has been favored by emperors and praised by poets for hundreds of years (Jain, 2004; APEDA, 2011). Basmati rice is considered as one of the most valued GIs of India having substantial export potentials. Nearly two third of total Basmati rice produced in India is exported. Total export earnings for about 40 % of total rice exports. The share of Basmati rice in total agricultural exports from India was about 5 %. Furthermore, the exports have been growing at an annual average rate of 13 % during the period 2003 to 2007, which shows the increasing demand for Basmati rice overseas (Jena and Grote, 2010a).

Many developing countries have weak protection systems for geographical indications in their respective countries. For example, in India GIs are protected and governed by the Geographical Indications of Goods (registration and protection) Act 1999 (Kamra, 2011). Despite beign internationally known as a specialty product from the North-western regions of India and having considerable export potentials, Basmati is not yet certified as a GI in India. This not only dents its economic benefits, it also downplays India’s demand for international recognition for Basmati as a GI since it is not yet registered in its land of origination. Furthermore, Basmati
also runs the risk of becoming generic (Jena and Grote, 2010a). Thus, in 1988 the US Rice Federation submitted that the term “Basmati” is generic and refers to a type of aromatic rice. US rice breeding firm Rice Tec Inc. Also applied for registration of the trademark “Texmati” in the UK claiming that “Basmati” was a generic term (IPR Commission, 2002).

The problem is not just limited to the US, Australia, Egypt. Thailand and France also grow basmati type rice and may take the lead from the US and officially deem “basmati” a generic term. The name "Basmati" (in the Indian and Pakistani export markets) can be protected by registering it as a Geographical Indication in these countries (Kamra, 2011). In response to the attempted registration, India established a Basmati Development Fund to monitor trademark applications for Basmati rice or other deceptive variations. A successful challenge by Indian authorities made the US patent office to cancel most of the claims of Rice Tec. Though this issue was done and dusted at the official level, it has raised many concerns about the protection of genuine GI products which are rooted in certain regions and are rendered the geographical attributes to become unique (Jena and Grote, 2010a). According to Adlakha (2004), around 100 trademark cases in over 30 countries have been fought dealing with use of the term “Basmati” in products like baby foods, ancillary services, saffron, coffee, spices, juices, etc. (Grote, 2009). Though, India was successful in winning the legal battle against RiceTec in the US, it still faces legal battles in about 25 countries for 40 different cases since TRIPS places the onus on the importing nation, not the exporting nation, of deciding whether another nation’s geographical indication of its traditional goods is valid. Of 40 cases filed, India has been successful in winning 15 cases against countries like Britain, Australia, France, Spain, Chile and UAE. In Spain, APEDA has been successful in obtaining a registered trademark for Basmati rice as aromatic rice produced in the sub-continent, thus deterring non-Indian or Pakistani food companies from using the Basmati brand name (Mulik and Crespi, 2004).

The code states that “the belief in consumer, trade and scientific circles [is] that the distinctiveness of authentic Basmati rice can only be obtained from the northern regions of India and Pakistan due to the unique and complex combination of environment, soil, climate, agricultural practices and the genetics of the Basmati varieties.” (IPR Commission, 2002). The findings show that gross margins from Basmati rice cultivation are higher than the same from the non GI rice cultivation. The land allocation pattern indeed showed that approximately 63 % of the total land
also runs the risk of becoming generic (Jena and Grote, 2010a). Thus, in 1988 the US Rice Federation submitted that the term “Basmati” is generic and refers to a type of aromatic rice. US rice breeding firm Rice Tec Inc. Also applied for registration of the trademark “Texmati” in the UK claiming that “Basmati” was a generic term (IPR Commission, 2002).

The problem is not just limited to the US, Australia, Egypt. Thailand and France also grow basmati type rice and may take the lead from the US and officially deem “basmati” a generic term. The name "Basmati" (in the Indian and Pakistani export markets) can be protected by registering it as a Geographical Indication in these countries (Kamra, 2011). In response to the attempted registration, India established a Basmati Development Fund to monitor trademark applications for Basmati rice or other deceptive variations. A successful challenge by Indian authorities made the US patent office to cancel most of the claims of Rice Tec. Though this issue was done and dusted at the official level, it has raised many concerns about the protection of genuine GI products which are rooted in certain regions and are rendered the geographical attributes to become unique (Jena and Grote, 2010a). According to Adlakha (2004), around 100 trademark cases in over 30 countries have been fought dealing with use of the term “Basmati” in products like baby foods, ancillary services, saffron, coffee, spices, juices, etc. (Grote, 2009). Though, India was successful in winning the legal battle against RiceTec in the US, it still faces legal battles in about 25 countries for 40 different cases since TRIPS places the onus on the importing nation, not the exporting nation, of deciding whether another nation’s geographical indication of its traditional goods is valid. Of 40 cases filed, India has been successful in winning 15 cases against countries like Britain, Australia, France, Spain, Chile and UAE. In Spain, APEDA has been successful in obtaining a registered trademark for Basmati rice as aromatic rice produced in the sub-continent, thus deterring non-Indian or Pakistani food companies from using the Basmati brand name (Mulik and Crespi, 2004).

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is allocated to rice on an average. Hence, rice still plays a major role in the region and GI Basmati cultivation may add welfare to the households’ livelihood (Jena and Grote, 2010b).

**Conclusion**

The fundamental positive impacts of GIs can be classified as follows:
- helping producers strengthen competitiveness, have better reputation and obtain a premium price for their products,
- providing guarantees to consumers as to the qualities and originality of products,
- contribution to increasing income, developing the local and also national economy,
- contribution to creating employment and better living standards for local public,
- protecting traditional knowledge and preserving local traditions and cultural heritage,
- contribution to the regulation of the market and encouraging the diversification of production,
- helping the development of other economic activities such as tourism, place marketing.

These are issues which are of great importance in all industrialised, developing and underdeveloped countries as well. GIs contribute to sustainable development and will gain greater importance in a globalized world with a tough competition worldwide like today’s.

**Bibliography**


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